

PROPOSED AMENDMENT

SB 189 # 15

DIGEST

State tuition support. Requires the budget agency to transfer from the K-12 state tuition reserve account to the state general fund the amount necessary to cover the K-12 state tuition distribution amount if it exceeds the appropriated amount. Limits the transfer to \$25,000,000 in state fiscal year 2017-2018 and \$75,000,000 for state fiscal year 2018-2019. Requires school corporations to report information about virtual education programs to the department of education.

- 1 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
2 "SECTION 1. IC 20-19-3.6 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]:
5 **Chapter 3.6. Virtual Education Program Report**
6 **Sec. 1. As used in this chapter, "virtual education program"**
7 **means a program provided by a school corporation in which a**
8 **student in the program is provided instruction in an interactive**
9 **learning environment created through technology in which the**
10 **student is separated from a teacher by time or space, or both.**
11 **Sec. 2. (a) Before October 1, 2018, each school corporation**
12 **operating a virtual education program shall submit a report to the**
13 **department covering the program.**
14 **(b) The report must include the following:**
15 **(1) The virtual education program enrollment policy,**
16 **including the grade levels the program serves.**
17 **(2) The ADM count for the school corporation.**
18 **(3) The ADM count of students participating in a virtual**
19 **education program, including the composition of the legal**
20 **settlement of the students and the amount and percentage of**
21 **total instructional time spent by students participating in the**
22 **program, for each of the following school years:**
23 **(A) The 2016-2017 school year.**
24 **(B) The 2017-2018 school year.**
25 **(C) The 2018-2019 school year.**

1 **(4) An estimate of the expected ADM count of students, the**
2 **expected ADM count of students participating in a virtual**
3 **education program, and the amount and percentage of total**
4 **instructional time expected to be spent by students,**
5 **participating in a virtual education program for the**
6 **2019-2020 school year.**

7 **(c) The department shall provide to the budget committee**
8 **before January 1, 2019, a report covering the information reported**
9 **by school corporations on virtual education programs for the**
10 **2016-2017 school year through the 2018-2019 school year and the**
11 **2019-2020 school year estimates.**

12 **(d) This chapter expires June 30, 2019.**

13 SECTION 2. IC 20-43-2-2, AS AMENDED BY P.L.205-2013,
14 SECTION 269, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a)** The maximum state
16 distribution for a state fiscal year for all school corporations for the
17 purposes described in section 3 of this chapter is the amount
18 appropriated by the general assembly for those purposes for that state
19 fiscal year.

20 **(b) If the budget director, after review by the budget committee,**
21 **makes a determination that the amount of the distribution for a**
22 **state fiscal year for all school corporations for the purposes**
23 **described in section 3 of this chapter exceeds the amount**
24 **appropriated for these purposes for the state fiscal year, the budget**
25 **agency shall transfer money from the state tuition reserve account**
26 **to the state general fund to cover the difference. However, the**
27 **maximum amount that may be transferred to the state general**
28 **fund for the state fiscal year may not exceed:**

29 **(1) twenty-five million dollars (\$25,000,000) for the state fiscal**
30 **year beginning July 1, 2017; and**

31 **(2) seventy-five million dollars (\$75,000,000) for the state**
32 **fiscal year beginning July 1, 2018.**

33 **(c) Any amounts transferred under this section shall be used to**
34 **augment the appropriation for state tuition support for the state**
35 **fiscal year and shall be distributed to school corporations to**
36 **restore the distributions for the purposes described in section 3 of**
37 **this chapter.**

38 **(d) Transfers under this section are in addition to any transfers**
39 **made from the state tuition reserve account under IC 4-12-1-15.7**
40 **or any other law.**

(e) To the extent that the amount transferred is less than the amount that would be distributed under this article, the total amount to be distributed for the purposes described in section 3 of this chapter to each recipient during the remaining months of the state fiscal year shall be proportionately reduced so that the total reductions equal the amount of the excess for the purposes described in section 3 of this chapter.

SECTION 3. IC 20-43-2-3, AS AMENDED BY P.L.213-2015, SECTION 208, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~If the total amount to be distributed:~~ **In determining the total amount to be distributed for purposes of section 2 of this chapter, distributions:**

- (1) as basic tuition support;
- (2) for honors diploma awards;
- (3) for complexity grants;
- (4) for special education grants;
- (5) for career and technical education grants;
- (6) for choice scholarships; and
- (7) for Mitch Daniels early graduation scholarships;

are to be considered for a particular state fiscal year. ~~exceeds the amounts appropriated by the general assembly for those purposes for the state fiscal year; the total amount to be distributed for those purposes to each recipient during the remaining months of the state fiscal year shall be proportionately reduced so that the total reductions equal the amount of the excess.~~

SECTION 4. IC 20-43-2-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The amount of the reduction for a particular school corporation under section ~~3~~ **2** of this chapter is equal to the total amount of the excess determined under section ~~3~~ **2** of this chapter multiplied by a fraction. The numerator of the fraction is the amount of the distribution for state tuition support that the school corporation would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed for state tuition support to all school corporations if a reduction were not made under this section.

SECTION 5. IC 20-43-2-7.5 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 7.5: (a) Before July 1 of each year, the budget agency, with the assistance of the department, shall estimate the amount of the distributions that will be made for choice scholarships for the following~~

1 state fiscal year.

2 (b) In a state fiscal year beginning after June 30, 2016, the budget
3 agency may transfer money from the state tuition reserve account to the
4 state general fund if the budget director, after review by the budget
5 committee, makes a determination that the amount of the distribution
6 for that state fiscal year for basic tuition support has been reduced
7 under section 3 of this chapter because the amount of the distributions
8 for choice scholarships for the state fiscal year exceeds the latest
9 estimate prepared by the legislative services agency and provided to
10 members of the general assembly before May 1 of the most recent
11 odd-numbered year concerning the amount of the distributions for
12 choice scholarships for the state fiscal year beginning July 1 of the
13 particular state fiscal year. The maximum amount that may be
14 transferred to the state general fund under this subsection for the state
15 fiscal year may not exceed the lesser of:

16 (1) the amount of the reduction in basic tuition support
17 distributions described in this subsection; or

18 (2) twenty-five million dollars (\$25,000,000):

19 Any amounts transferred under this subsection shall be used to
20 augment the appropriation for state tuition support for the state fiscal
21 year and shall be distributed to school corporations to restore the
22 distributions for basic tuition support that are reduced under section 3
23 of this chapter.

24 (c) Transfers under this section are in addition to any transfers made
25 from the state tuition reserve account under IC 4-12-1-15.7 or any other
26 law:

27 (d) This section expires June 30, 2019:".

28 Page 2, delete lines 1 through 22.

29 Renumber all SECTIONS consecutively.

(Reference is to SB 189 as printed January 17, 2018.)